

# NAVAL POSTGRADUATE SCHOOL

## Monterey, California



## THESIS

**EMERGENCY SUPPLEMENTAL APPROPRIATIONS:  
A DEPARTMENT OF DEFENSE PERSPECTIVE**

by

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December 2000

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20010320 056

## REPORT DOCUMENTATION PAGE

Form Approved OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.

1. AGENCY USE ONLY (Leave blank)	2. REPORT DATE December 2000	3. REPORT TYPE AND DATES COVERED Master's Thesis
4. TITLE AND SUBTITLE: Emergency Supplemental Appropriations: A Department of Defense Perspective		5. FUNDING NUMBERS
6. AUTHOR(S) Paul A. Godek		
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000		8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A		10. SPONSORING / MONITORING AGENCY REPORT NUMBER
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.		
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited		12b. DISTRIBUTION CODE
13. ABSTRACT (maximum 200 words) The increased use of "emergency" supplemental appropriations is gaining awareness within the Department of Defense (DoD) and continues to reflect the pressure of budget caps in the congressional appropriations process. While the defense portion of supplementals has been relatively small since the Vietnam War, emergency supplementals for natural disasters, military contingencies, and peacekeeping have steadily increased since the Persian Gulf War. The primary objective of this study is to focus on the history, policies, and processes of emergency supplemental appropriations and how they impact the DoD budget. Data were obtained by applying a legislative history tracking methodology to over sixty emergency supplemental bills, including all significant dates within the bill process by fiscal year from 1974 to 1999. Analysis of the data support the conclusion that it is imperative that Congress exercise good budgetary discipline and discretion regarding emergency supplemental appropriations. It should require agencies to improve planning for emergencies in order to avoid creating new budgets and mid-year plus-ups. Congress can avoid mortgaging future defense readiness and still support the military's role in global emergency operations. Irrespective of improvements in budget planning, some level of supplemental appropriations will always be necessary to meet true budget emergencies.		
14. SUBJECT TERMS Emergency Supplemental Appropriations, Rescissions, Complex Emergencies		15. NUMBER OF PAGES 70
16. PRICE CODE		
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified
20. LIMITATION OF ABSTRACT UL		

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)  
Prescribed by ANSI Std. Z39-18

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A DEPARTMENT OF DEFENSE PERSPECTIVE**

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Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF SCIENCE IN MANAGEMENT**

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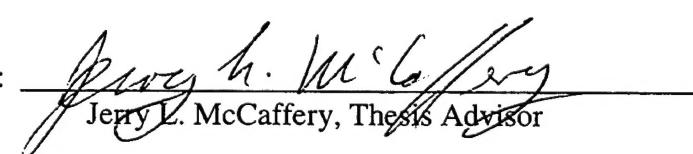
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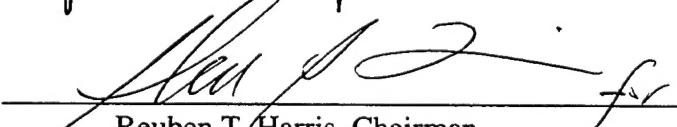


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## ABSTRACT

The increased use of “emergency” supplemental appropriations is gaining awareness within the Department of Defense (DoD) and continues to reflect the pressure of budget caps in the congressional appropriations process. While the defense portion of supplementals has been relatively small since the Vietnam War, emergency supplementals for natural disasters, military contingencies, and peacekeeping have steadily increased since the Persian Gulf War. The primary objective of this study is to focus on the history, policies, and processes of emergency supplemental appropriations and how they impact the DoD budget. Data were obtained by applying a legislative history tracking methodology to over sixty emergency supplemental bills, including all significant dates within the bill process by fiscal year from 1974 to 1999. Analysis of the data support the conclusion that it is imperative that Congress exercise good budgetary discipline and discretion regarding emergency supplemental appropriations. It should require agencies to improve planning for emergencies in order to avoid creating new budgets and mid-year plus-ups. Congress can avoid mortgaging future defense readiness and still support the military’s role in global emergency operations. Irrespective of improvements in budget planning, some level of supplemental appropriations will always be necessary to meet true budget emergencies.

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## **ACKNOWLEDGMENTS**

The author would like to acknowledge Dr. Jerry McCaffery, Captain John E. Mutty, USN, Ret., and Greta E. Marlatt, who generously provided their support throughout the information gathering and completion of this thesis.

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## **I. INTRODUCTION**

### **A. OBJECTIVES**

The primary objective of this study is to provide a better understanding of the history, policies, and processes of emergency supplemental appropriations and how they directly impact the national defense budget. It also provides an understanding of the policy for emergency designations, the process of how they have been funded, and how they relate to federal budget spending caps. In addition, it describes for the reader how past emergencies have impacted the overall federal budget, resulting in either a positive or negative effect on the availability of discretionary, e.g., defense funds.

The increased use of “emergency” supplemental appropriations is gaining increased awareness within the Department of Defense (DoD) and continues to reflect the pressure of federal budget caps in the congressional appropriations process. In addition to thirteen regular annual appropriations, emergency supplemental spending is a discretionary appropriation that Congress and the President designate for natural disasters, military contingencies, and peacekeeping. [Ref 4:p. 209]

This thesis examines emergency supplemental spending policies, processes, and results beginning with the post-Vietnam era in 1974. Additionally, it provides an analysis of both DoD and non-DoD emergency spending profiles, an overview of current legislation decisions regarding military operations and their potential impact on subsequent defense budgets.

## **B. RESEARCH QUESTIONS**

The framework for the focus of this study encompasses several research questions that introduce the definition of an emergency supplemental appropriation, how it originates within the federal budget process and how it is designated. Beginning with the Congressional Budget Reform Act of 1974, it is important to pose the question of how budgetary regulations changed emergency supplemental spending, including the Balanced Budget and Emergency Deficit Control Act of 1985 and the Budget Enforcement Act of 1990.

Second, the process of passing an Emergency Supplemental bill in Congress offers several questions regarding the timing of the introduction of an emergency supplemental spending bill and how it affects the annual appropriations cycle. From a Department of Defense (DoD) perspective, it is important to ask how the timing of the introduction of an emergency supplemental spending bill affects the DoD budget, how Congress modifies supplementals and what kinds of items are added to supplementals designated as “emergency”.

In short, how does Congress react to DoD emergency supplementals? How does the treatment of Non-DoD supplementals differ from DoD? On one hand, the impact of their decisions regarding defense readiness, pork barrel spending and personnel present key issues to be explored. On the other hand, equally as important is how DoD allocates and costs out emergency supplementals regarding incremental costs for new equipment, ranges of items and item thresholds.

From a historical perspective, emergency supplementals have caused interesting and often, heated, debates since the Vietnam War era. As the debates continue in the halls of Congress today, it is helpful to define and discuss the primary issues and their effects on the emergency spending process, including similarities and differences during Operation Desert Storm (1990-91), Balkans Support Operations in Bosnia (1992-98), and ongoing NATO peacekeeping operations in Kosovo.

### **C. SCOPE OF THE THESIS**

The scope of this thesis is limited to an historical examination of emergency appropriations from 1974 to the present along with important legislation that has changed the emergency supplemental bill process. The primary focus is emergency spending and its direct impact upon the defense budget and other discretionary categories. Additionally, the analysis includes an overview of the legislative tracking process and provides insight into the future of federal budgeting procedures and the effects of emergency spending. The period to be covered is approximately from 1974 to 2000, with emphasis placed upon the 1990 to 2001 fiscal year budgets.

### **D. ORGANIZATION**

This study addresses emergency appropriations and is primarily organized in five areas of emphasis, including (1) policy issues, (2) process issues, (3) historical survey, (4) data analysis, and (5) summary and conclusions.

#### **1. Policy Issues**

This chapter includes background to policies, definitions, and the impact of emergency supplementals. Policy changes affected by the Congressional Budget and Impoundment Act of 1974 and the Balanced Budget and Emergency Deficit Control Act

of 1985 are discussed. In addition, policy issues regarding Congressional Budget Office (CBO) agreements and Office of Management and Budget (OMB) requirements are discussed, since they have a significant role in emergency appropriations from a DoD perspective.

## **2. Process Issues**

This chapter includes background to the evolution of congressional processes since the Congressional Budget and Impoundment Act of 1974 and under the Budget Enforcement Act of 1990. Congressional budget resolutions, Congressional Budget Office (CBO) definitions, and the fiscal timing of emergency supplemental legislation are examined.

## **3. Historical Survey**

This chapter focuses on both the macro and micro views of several emergency supplementals from fiscal year 1974 to 1999. From the research data attained, supplemental appropriations bills are examined with fiscal and policy impacts on the DoD budget during the period of 1974 to 1989: Post Vietnam/Reagan Build-Up; 1990 to 1991: Operation Desert Storm; 1992 to 1998: NATO Operations; and 1999 to Present: Balkans Peacekeeping.

## **4. Data Analysis**

This chapter provides comprehensive analysis of the historical survey data as described in section (3). Through gathering, organizing, and analyzing these data, conclusions regarding policy and process trends are provided on the basis of historical significance.

## **5. Summary and Conclusions**

A summary chapter provides conclusions and a comprehensive appreciation for the historical context of emergency supplemental appropriations and their increasing dynamic importance in congressional budgeting.

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## **II. EMERGENCY APPROPRIATIONS: BACKGROUND**

### **A. CLOSE-UP: EMERGENCY FUNDING AND DOD TASKING DILEMMA**

After several months of heated partisan wrangling in Congress, the FY1999 Emergency Supplemental Appropriations Bill was passed and signed into public law in May 1999. The major portion of this \$16.1 billion supplemental was allocated towards reconstruction costs of Central American cities and villages in the wake of havoc wreaked by Hurricane Mitch, along with emergency aid for Kosovo peacekeeping operations for American forces in the Balkans. This emergency package is representative of the typical loophole, pork barrel spending that evolved throughout the 1990's. Indeed it is a process that Members of Congress have come to expect and Americans have come to live with each mid-year during the federal budget cycle. Meanwhile, DoD appropriations bills increasingly absorb the cost of these seemingly diplomatic aid packages in the form of offsets established in the name of global peacekeeping, disaster relief support, domestic emergencies and other para-military operations.

Furthermore, these congressional and military efforts to promote peace, justice, and sustainable development in overseas regions often encounter unwelcome responses from civil organizations. The Latin America Working Group (LAWG), a coalition of several religious, human rights and policy development organizations, was troubled by the fact that the emergency bill included \$62 million toward DoD's New Horizons Exercise programs, a U.S. Southern Command military relief and reconstruction operation.

LAWG claims that:

Militaries may play a necessary role in the emergency phase of a natural disaster, but encouraging the U.S. and Central American militaries to play a role in reconstruction and development is neither efficient development policy nor helpful for civil-military relations. [Ref. 1]

Regarding operations other than war (OOTW), Hasskamp called these “windows” or “window-washing”, i.e., important constabulary chores recognized as national policy that tasks DoD to increasingly commit and deploy its troops to handle these new missions. These so-called “unplanned” emergencies deplete fragile defense funds, often causing the military to resubmit a modified annual authorization request or to request discretionary account reimbursement. Moreover, the resulting funding/tasking dilemma frequently causes critical suspensions in military training, readiness and operations, which often evolve into protracted “emergencies” that siphon precious DoD budget dollars away from efforts of the U.S. to maintain its national interests. Some argue “emergencies” provide good training, but DoD experts suggest that civil affairs are not like war and routinely degrade capability.

Secretary of Defense William Cohen has indeed recognized this ongoing dilemma:

We are faced with a choice of reducing our commitment or reducing our capability.... We're over committed and under funded. [Ref. 2:p. 14]

Whereas his predecessor, the Honorable Les Aspin, held a more diplomatic view:

Operations directed at alleviating human suffering and meeting the needs of victims of social dislocation, economic strife, political conflict, or natural disasters can, in some cases, be the best foreign policy instrument available to the United States. [Ref. 2:p. 15]

Therefore, a clear balance must be established between which “window-washing” missions our military is called to fulfill and the escalating costs of non-defense peacekeeping operations to American taxpayers. Consequently, our defense forces are being called to shortchange their warfighting capability in order to accomplish more and more politically mandated “emergencies” on a global scale. Thus the quest for uniformity in classifying which emergencies require DoD participation is one that is further explored in the next section.

## **B. DOD AND COMPLEX EMERGENCIES**

*“Peacekeeping is not a mission for soldiers, but only soldiers can do it.”*

**-Boutros Boutros-Ghali [Ref. 2:p. 31]**

As will be discussed in the following section, there is no precise definition for “emergency” in budget process law. However, regarding military response to emergent situations, McGrady outlines fundamental definitions within the broad topic of “complex emergencies”. He defines emergencies as “contingencies” or “crises” when referring to both natural and man-made disasters. Complex emergencies are specifically defined as “economic, political, or social disasters that are likely to cause conflict.” [Ref. 3:p. 5]

All contingencies and complex emergencies incur operational costs that are usually unplanned requirements. Besides typical funding provided to the Federal Emergency Management Agency (FEMA) in response to natural disasters such as earthquakes, tornadoes, hurricanes and floods, emergency funding has encompassed complex domestic, humanitarian and military requirements. Recent DoD military taskings during Operation Desert Storm in 1991 and Bosnia in 1997 exhibit how defense-

related emergencies can be categorized into two specific areas: peacemaking and peace enforcement.

Peacemaking operations are the result of diplomatic efforts used in facilitating and sometimes intimidating opposing sides to arrive at a joint agreement. An example of U.S. peacemaking operations occurred in 1994 when follow-on emergency funding was provided to the Haitian government after extensive, time-consuming diplomacy was supported by joint U.S. military operations during Operation Uphold Democracy. [Ref. 3:p. 62]

Peace enforcement, on the other hand, involves military action to the extent of supporting peacemaking operations, humanitarian operations, and securing stability in the local environment. Emergency peacekeeping efforts require significant defense security forces and humanitarian components. As has been demonstrated by U.S. forces in Bosnia since 1997, defense security included constabulary duties under the United Nations aegis until government stability was recently attained. Meanwhile, humanitarian relief in the form of food, shelter, clothing and caring for displaced persons has consumed millions of dollars in complex emergency aid due to economic and social chaos. [Ref. 3:p. 67]

Figure 1.1 below lists the 50 major operations in which U.S. naval forces participated during the period of 1990 to 1997. As displayed in Table 1.1, inspection of the operations (listed as "disasters") shows that:

- The duration of 12 operations lasted over a period of multiple years, 50% of which were limited to a two-year period
- Refugee support missions averaged over 3.6 annually, occurring every year during the period and peaking with 8 concurrent operations in 1994

- The frequency of peacekeeping operations steadily increased between 1993 and 1997; 15 of 17 operations (88%) occurred during the period
- Mostly occurring in the early part of the decade, 17 of 18 natural disasters were between 1990 and 1993

As can be discerned from review of these charts, some operations routinely occur from year to year, while others are not as predictable.

Without doubt, unpredictability is the common element in all bona fide emergencies. All disaster relief, peacekeeping and complex emergency situations also have had unanticipated, unusually high levels of funding required for response. Further, the extent of the eventual commitment can be hard to determine in terms of time, resources and military personnel support. It is no wonder that Congress experiences prolonged difficulties in classifying what actually constitutes a true emergency and what measure of funding will be determined in a supplemental appropriations bill.

Nevertheless, Secretary Cohen stresses that deployments for emergency peacekeeping and humanitarian missions will continue for U.S. forces:

While we are not and cannot be the world's policeman, neither can we become a prisoner of world events, isolated, tucked safely away in a continental cocoon. [Ref. 2:p. 29]

### **C. EMERGENCIES AND EMERGENCY APPROPRIATIONS**

A further complication arose because of the size of the deficit and efforts to control it. In 1990, with the passage of the Budget Enforcement Act and spending caps, Congress decided that new spending had to be offset with taxes or cuts in old spending. This meant that supplementals could call for offsets or they could be reduced "dire"

Disaster	Name	Year	Country
NEO/Evacuation/ Embassy Support <sup>b</sup>	Sharp Edge	1990	Liberia
	Eastern Exit	1991	Somalia
	Quick Lift	1991	Zaire
	Silver Compass	1992	Liberia
	Distant Runner	1994	Rwanda
	United Shield	1995	Somalia
	Assured Response	1996	Liberia
	Quick Response	1996	Central African Republic
	Noble Obelisk	1997	Sierra Leone
	Silver Wake	1997	Albania
Refugees	Guardian retrieval	1997	Congo/Zaire
	Provide Comfort	1991-present	Iraq
	Safe Harbor/JTF	1991-1993	Cuba/Haitian refugees
	GTMO		
	Able Manner	1993-1994	Cuban refugees
	Amber Value	1994	Chinese migrants
	Able Vigil	1994	Cuba
	Support Hope	1994	Great Lakes Region
	Safe Haven	1994-1995	Panama
	Distant Haven	1994	Suriname
Peacekeeping	Sea Signal	1994-1996	Caribbean/Haiti
	Safe Passage	1995	Cuba
	Guardian Assistance	1996	Rwanda and Congo
	JTF Marathon	1996	Wake Is.
	Pacific Haven	1996-1997	Kurdish refugees/Guam
	Provide Comfort	1996-1997	Iraq
	Present Haven	1997	Cuba
	Multiple <sup>c</sup>	1992-present	Bosnia
	Restore/Continue	1992-1993	Somalia
	Hope		
Disease	Assured Lift	1997	Liberia
	Safe Border	1995-1997	Ecuador/Peru
	Multiple <sup>d</sup>	1993-1997	Haiti
		1990	Venezuela
		1990	Tunisia
	(Hugo)	1990	Antigua
	(Mike)	1990	Philippines
	Hurricane OFA	1990	Guam
	Mud Pack	1990	Phillipines
	Sea Angel	1991	Bangladesh
Storm	Balm Restore	1991	American Samoa
	JTF Marinas	1992	Guam
	JTF Eleuthera	1992	Bahamas
	Typhoon Pako	1997	Guam
		1990	Philippines
		1993	Guam
		1992	Micronesia
	Water Pitcher	1992	Somalia
	Provide Relief	1992-1993	
		1991	Philippines
Volcano	Fiery Vigil	1992	Italy
	Hot Rock	1992	Honduras
Technological		1992	

a. Operations executed by U.S. Navy or Marine Corps forces; many more were planned. For a detailed discussion of which operations were, or were not, included in the database see [21,24]. In addition to the operations defined there we exclude smaller-scale operations such as fire fighting or search and rescue. We also exclude domestic operations with the exception of Pacific islands such as Guam or Samoa.

b. Non-combatant evacuation; this category also includes evacuation of embassy or other personnel and embassy security operations. It does not include USMC (FAST) or Navy (SEAL) embassy deployments.

c. Includes operations Sharp Guard, Deny Flight, Quick Lift, Deliberate Force, Joint Endeavor, Joint Guard, Joint Forge

d. Included operations U.S. Support Group Haiti (Haiti Assistance Group), Support Democracy, Uphold Democracy.

Figure 1.1. Major Operations in which Navy or Marine Corps Forces Participated 1990-1997. Source: [Ref. 3:pp. 155-156]

Year	NEO/Evacuation/ Embassy Support	Refugees	Peacekeeping	Disease	Natural Disasters	Total
1990	1	1	0	1	6	9
1991	2	2	0	0	3	7
1992	1	2	2	0	6	11
1993	0	3	3	0	2	8
1994	1	8	2	0	0	11
1995	1	4	3	0	0	8
1996	2	5	3	0	0	10
1997	3	4	4	0	1	12
Total	11	29	17	1	18	76

Table 1.1. Analysis of Major Naval Operations 1990-1997. Source: [Ref. 3:pp. 155-156]

emergency supplementals requiring no offsets. This made it important to define *emergency*.

According to Stanley E. Collender, Managing Director of the Federal Budget Consulting Group, an emergency appropriation is defined as:

Discretionary appropriations that the President designates as “emergency requirements” and which are similarly designated by Congress in legislation subsequently enacted into law. [Ref 4:p. 202]

In short, since it is not clearly defined in budget law, an emergency is whatever the President and Congress deem it to be. OMB Director Richard Darman said in 1991 that an emergency appropriation should be:

- A necessary expenditure—an essential or vital expenditure, not one that is merely useful or beneficial
- Sudden—quickly coming into being, not building up over time
- Urgent—a pressing and compelling need requiring immediate action
- Unforeseen—not predictable or seen beforehand as a coming need (an emergency that is part of an aggregate level of emergencies, particularly when normally estimated in advance would not be “unforeseen”)
- Not permanent—the need is temporary in nature [Ref 4:p. 87]

Many in Congress have believed that the emergency supplemental funding for military and peacekeeping operations should be foreseen and should, therefore, be included in regular defense appropriations bills.

Sperry and Vanhelmond state the use of emergency funds should be strictly managed in accordance with firmly established budgeting guidelines. Any supplemental appropriations that the President and Congress deem as emergent requirements should result from “defining exactly what constitutes an emergency and establishing mandatory offsets (dollar-for-dollar reductions in other spending) for all bona fide emergency increases.” [Ref. 5:p. 3]

Furthermore, they outline emergency criteria that pose a familiar fundamental question, “What is an emergency?” They propose the following list of what emergencies must involve:

- an imminent threat to life, property, or national security;
- an unanticipated situation; or
- a temporary occurrence. [Ref. 5:p. 4]

These basic criteria could help legitimize the true urgency of an emergent request, forcing lawmakers to consider the cost of incurring a potentially painful offsetting budget reduction. However, realizing that supplementals are a necessary budgeting vehicle to anticipate emergencies, Sperry and Vanhelmond also recommend steps to properly remedy Congress’ use of emergency spending by:

- Defining exactly what constitutes an emergency requiring mandatory offsets

- Allowing Members to highlight questionable supplemental spending by using points of order (and a supermajority to override any point of order) against individual line items with supplemental funding bills
- Limiting supplement budget authority to the levels that can be obligated during the current budget year by requiring that detailed week-by-week spending plan be submitted with each request
- Requiring that the relevant executive branch Cabinet secretary and Congressional committees(s) of jurisdiction specify, in a report to accompany the supplemental spending bill, why the required funding was not anticipated during the normal budget process and what spending will be cut to offset the requested spending [Ref. 5:p. 4]

Indeed, Sperry and Vanhelmond insightfully consider the necessity and budgeting wisdom of establishing guidelines for emergency appropriation legislation. Moreover, they propose that the congressional lawmakers “remind themselves why spending caps were instituted in the first place- to block wasteful spending and balance the budget- they will act decisively to prevent the use of emergency spending for ever more inappropriate reasons.” [Ref. 5:p.4]

#### **D. SUMMARY**

Budgetary discipline, planning and discretion are the hallmarks of the normal appropriations process. Although emergencies are unpredictable, uncontrollable, and not well defined in budgetary process law, they should not be entirely exempt from Congress employing the aforementioned budgetary characteristics, especially regarding defense appropriations bills. Disaster relief, humanitarian assistance and complex military operations are the main components of emergency supplementals, however, not all of these missions are planned and funded within the defense budget. When this happens, as in the case of the OOTW, DoD becomes over-committed and under-funded without timely reimbursement.

Peter Sperry, an expert in federal budgetary affairs at the Thomas A. Roe Institute for Economic Policy, suggests that the “floodgates to supplemental spending should be left for only true emergencies” and “the spending priorities that are truly important will survive the regular appropriations process; those that do not should not be given back-door access to the federal Treasury through a less-than-urgent supplemental appropriations bill.” [Ref. 6:p. 3]

In the next chapter, a historical perspective of congressional action regarding policies and processes of emergency supplemental appropriations bills is discussed.

### III. POLICY AND PROCESS ISSUES

#### A. BACKGROUND

*“I am confident that America will continue to respond to their [South Vietnam’s] plight with the generosity so characteristic of our national tradition.”* [Ref. 7:p. 29]

Henry Kissinger

On April 21, 1975, Secretary of State Henry Kissinger testified before the House Appropriations Committee (HAC) of the 94<sup>th</sup> Congress regarding *Emergency Supplemental Appropriations for Assistance to the Republic of South Vietnam* for fiscal year 1975. Led by Chairman George H. Mahon from Texas, the HAC had commenced hearings to decide on the authorization of \$200 million in emergency military aid and an additional \$165 million in economic and humanitarian aid for South Vietnam. Even as General Frederick C. Weyand, U.S. Army Chief of Staff, who went before the HAC requesting an additional \$357 million in assistance, was presenting his testimony in Washington, Saigon was falling to the North Vietnamese. This emergent requirement would primarily be used to rebuild and upgrade light infantry units that protected remote villages against the advancing Communist forces from the north.

After 25 years of dedication to curtailing the expansion of communism throughout Southeast Asia, the United States would not be sending additional combat troops to Vietnam. During that period, Congress appropriated over \$155 billion to support the mission. They were now in a period of increasing budget deficit awareness--over 10 years of “emergency” foreign assistance and “Great Society” domestic spending

and now reluctant to authorize additional funds for South Vietnam. It was now certain that Congress would not be providing an unlimited supply of emergency funds and foreign aid to this deteriorating political and military crisis. However, the question remained whether or not the United States should continue to help the Government of South Vietnam through limited economic and humanitarian aid.

With diplomatic eloquence, Secretary Kissinger addressed the committee:

For that government to pursue its objectives, which we assume will be announced in due time, it will need our support. Thus our objectives in the military or political sense are indeed limited, as they must be. But however limited, those objectives must be pursued with urgency for, despite the complex history of this conflict and our role in it, the fundamental issue we now face is quite clear: South Vietnam has nowhere else to turn. Without our help it has no hope even of moderating the pace of events which it has bravely resisted for many years. [Ref. 7:p. 30]

This is an early illustration of how Congress began to implement new emergency supplemental appropriation reviews for the first time in the modern budgeting era. Throughout the Vietnam War, Congress passed enormous supplementals at a monthly rate exceeding \$1 billion without incident. As Major General Leonard B. Taylor commented in subcommittee proceedings of the Senate Appropriations Committee (SAC) in 1972, "I think it was common knowledge now that the prevailing trend at the time was, 'When a doubt exists, charge it to Vietnam'." [Ref. 8:p. 25]

Indeed, the concept of the "blank check" adopted by Secretary of Defense McNamara dominated budget policy and everyday practice of how Congress exercised its "power of the purse." As a result, Congress' general attitude toward deficit spending was reckless; escalating budget deficits permeated the political and fiscal environment. Such

spending was a political “safety valve,” making it possible to soften the harsh choices of program cutbacks or tax increases. [Ref. 9:p. 2]

During the waning months of the Vietnam conflict, both the federal budgeting system and deficit management were in a severe state of disrepair. Additionally, there was no peace dividend due to the Vietnam War’s non-conformity to budgetary patterns of previous wars. Uncontrollable spending skyrocketed from 59% in 1967 to 72% of the federal budget in 1974. Thus, to counter the battle of deficit spending at a time when presidential impoundments were also threatening Congress’ autonomy over the federal purse, budget reform legislation was established and power was restored to the appropriations committees. Such changes were to provide new budgeting framework and discipline that was previously non-existent in the legislative process.

Allen Schick offers insight to these imminent changes in 1974 regarding federal budgetary treatment of supplemental spending:

Legislative conflict and budgetary impotence—the twin results of congressional grasping for spending control—were powerful spurs in the quest for a new budget process. While leading Members of Congress were divided on the type of system that should be installed, they were united in their determination to find a way out of their budgetary malaise. [Ref. 10:p. 42]

As for Vietnam, the U.S. refusal to fund the supplemental in 1975 was the final signal that it would no longer support the conflict. Although small in terms of dollars, its foreign policy impact was enormous: South Vietnam fell in April 1975. Meanwhile, at home, the attention of budgeters had turned to budget reform. Thus supplementals also have a symbolic significance irrespective of their size.

**B. THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974 AND GRAMM-RUDMAN-HOLLINGS**

**1. Congressional Budget and Impoundment Control Act of 1974**

Conflict among members of Congress was so protracted and so intense, Allen Schick claims that the period preceding 1974 can legitimately be characterized as a Seven-Year Budget War:

The outcome of that war was the Congressional Budget Act of 1974. This act can be viewed as a treaty that sought to bring equilibrium to the annual budget cycle by redefining power relationships among the old participants and creating new participants to develop better information and to control and channel the inevitable budgetary conflicts. [Ref. 10:p. 13]

Since the Congressional Budget and Impoundment Control Act of 1974, numerous steps have been taken to deter budgetary effects of emergency supplemental spending, including dedicated efforts to improve planning in the appropriations process. While not addressing possible deficit consequences, the Budget Act of 1974 allowed for “unanticipated, uncontrollable expenditures”—contingency amounts that were reserved for potential supplementals in both the President’s budget request figures and those in the appropriations bill. [Ref. 9:p. 2]

Tyszkiewicz and Daggett address these contingency amounts, whether or not emergency requirements are truly “unanticipated”:

Prior to passage of the Act, supplemental funding bills were regularly used to provide funding for day-to-day agency operations—pay raises for DOD and other federal employees, for example, were usually funded in supplemental appropriations measures. In recent years, supplemental appropriations bills have been used mainly to provide funding for unanticipated expenses—though there is sometimes an argument about whether the requirements should have been anticipated or not. [Ref. 11:p. 43]

Overall, the Budget Act of 1974 has had a positive effect with regard to emergency supplemental spending. Schick stated that since 1975, "Congress has been making budgetary war and peace within the budget process it established in the previous year. The Congressional Budget Act of 1974 altered budgetary roles and relationships with Congress, bringing new participants into the process and compelling older participants to function within new procedural and substantive rules." [Ref. 10:p. 3]

Indeed, one of the highlights of the Budget Act was the formation of the Congressional Budget Office (CBO), Congress' own budget agency. The major priorities of the CBO are assisting Budget, Appropriations, House Ways and Means, and Senate Finance Committees within their jurisdiction, reviewing the president's budget and other proposals (including emergency supplemental appropriations) and issuing reports on options for deficit reductions. [Ref. 10:pp. 132-133]

CBO's role in assisting Congress with a budget resolution begins upon receipt of the president's budget. This budget resolution is a rule that essentially becomes Congress' spending plan; it is not submitted for presidential approval.

As McCaffery describes, the legislative budget process "has a beginning, middle and an end. The beginning starts with the receipt of the President's budget in early February and concludes with the passage of a concurrent resolution on the budget in mid-April. The middle is that period of time usually from April through mid-September when committees review and markup appropriations bills and the House and Senate debate and amend the appropriation bills and pass them. The end occurs when the same bill is passed in each chamber, usually in the form of a vote on a joint conference committee report, and sent to the President and signed." [Ref. 14:p. 10-11]

The CBO was established to play a vital role in assisting congressional committees throughout the legislative budget calendar and reducing the federal deficit in

the same way OMB assists the President. As discussed in the following section, the growth of budget deficits in the 1980's led to significant changes in congressional budgeting with the passage of Gramm-Rudman-Hollings I.

## **2. Balanced Budget and Emergency Deficit Control Acts of 1985 & 1987**

More commonly referred to as the Gramm-Rudman-Hollings (GRH) Acts I and II, these Acts introduced rescissions as an offsetting measure to allow Congress to constrain the effects of emergency supplemental spending. A rescission is a presidential proposal (impoundment) to cancel previously appropriated budget authority, requiring both House and Senate approval within forty-five days. Otherwise, the appropriated budget authority remains intact if it does not gain congressional approval. [Ref. 4:p. 208]

Reflecting on rescissions, Schick concluded:

Rescissions invite conflict between the president and Congress. Every one is a presidential demand that Congress cancel resources it had previously appropriated. By implication, rescissions tell Congress that it erred the first time around and that it wasted government funds. This is not a message that appeals to legislators, especially when it comes from a president who has different budget priorities. [Ref. 13:p. 46]

Specifically, GRH amended the Budget Act of 1974 by forcing end of year deficit targets that would gradually decline over a five-year period. In budget planning, Congress had to meet these established targets or enact across the board cuts.

Figure 3.1 below shows the impact of rescissions on supplemental appropriations as a share of total discretionary budget authority from 1985 to 1999. Since these Acts were established, the President has suggested and Congress has enacted rescissions to fully offset nonemergency supplemental spending in most years.

As displayed in the chart, these rescissions seem to offset non-emergency supplementals during this period. After the Budget Enforcement Act in 1990, the balance of supplementals minus rescissions declined from about 1% of total discretionary budget authority to its lowest level (-4%) in 1995. Similarly, the profile of emergency supplementals minus rescissions tracked closely except for the Gulf War supplemental in 1991.

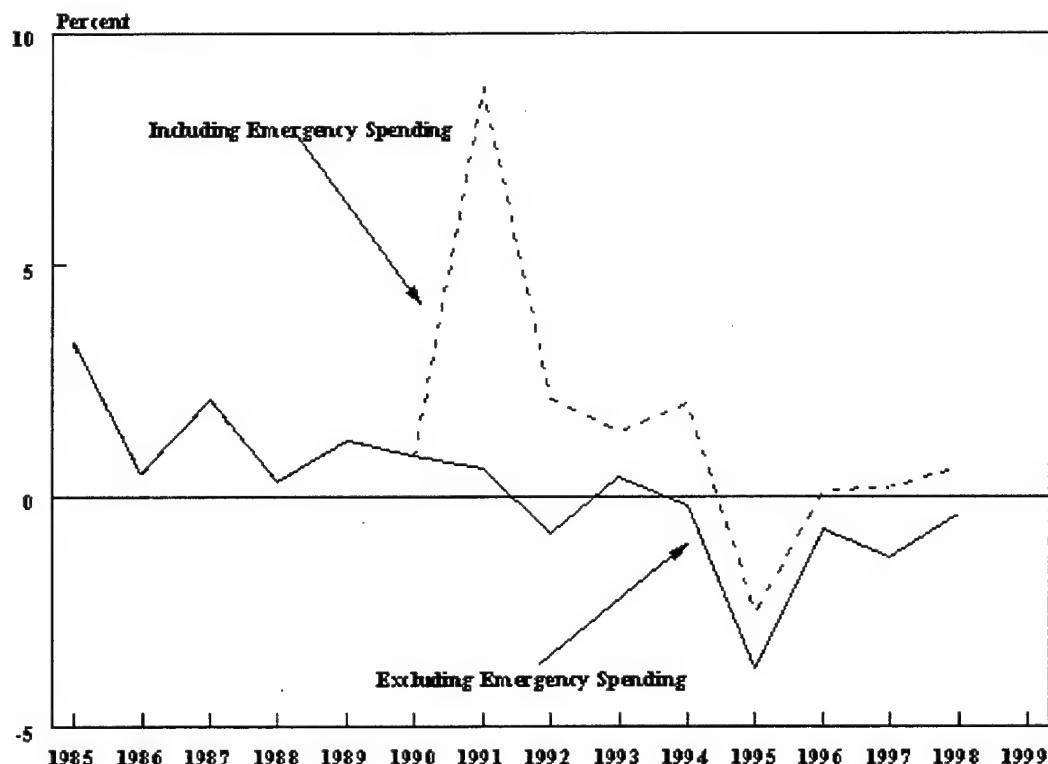


Figure 3.1. Discretionary Supplementals Net of Rescissions (As a share of total discretionary budget authority). Source: [Ref. 9:p. 5]

Demonstrating a lack of budgetary discipline and responsibility, Members of Congress undermined the deficit targets introduced by the GRH Acts of 1985 and 1987, including tactical gimmickry such as approving unrealistic estimates for outlays and revenues. In 1991, the House passed the Persian Gulf War supplemental bill for \$4.1 billion and designated \$801 million as emergency funds. However, within these fenced

emergency funds, the Office of Management and Budget (OMB) detected several small expenditures that were not bona fide emergencies, including \$1 million for the United States Information Agency and \$7.4 million for several Commerce Department agencies. Although insignificant amounts, they caused OMB to threaten a sequester and to subsequently set forth new requirements for all supplemental requests, e.g., that agencies submit recommended offsetting rescissions with “fully justified explanations” of why or why not provisions could be met. [Ref. 15:p. 10-11]

Thurber argues that GRH simply failed in all respects, including budgeting for emergency supplemental appropriations. He stated that across-the-board spending cuts known as *sequestration*, failed to “single out” discretionary spending programs under the auspices of the Appropriations Committee. It also slowed the process for Appropriators to push supplemental bills to passage and forced legislators to impose constraints on available resources between fiscal years. Thurber sums up his view on the failed attempts of budget reform:

In spite of their goals, the Budget and Impoundment Act and GRH did not curb growth of federal spending, bring an end to the growth in uncontrollable [emergency supplemental] spending; reduce the deficit, force Congress to complete budgeting on time, reorder national spending priorities, allow Congress to control fiscal policy, or eliminate the need for continuing resolutions. [Ref. 12:p. 65]

To remedy such loophole spending that occurred between 1974 and 1989, Congress passed the Budget Enforcement Act of 1990.

## C. THE BUDGET ENFORCEMENT ACT OF 1990 (BEA)

### 1. Background

Since the establishment of the BEA, Congress has provided DoD with emergency appropriations each year for military contingency operations and for costs of disaster repairs. While budget reform has often caused controversy among Members of Congress, the provision of emergency funds is usually approved. Sometimes these funds are partially or even totally offset by imposed rescissions.

Stephen Daggett states that the term, “emergency appropriations” specifically refers to the terms specified under the BEA and the previous budget reform Acts. The BEA also provided some flexibility to respond to “emergencies” by permitting spending to exceed budget caps under certain conditions. Specifically, BEA amended [GRH], which increased discretionary spending caps by the designated amounts deemed by both the President and Congress. [Ref. 16:p. 1]

As Thurber points out, budget reform itself is a *quid pro quo* process that introduces new challenges that keep emergency appropriations in the center of controversial debates.

One of the most visible changes from the 1990 budget reforms was the elimination of fixed deficit targets as established in GRH I and II. But other innovations--such as categorical sequesters, pay-as-you-go (PAYGO) provisions on taxes and spending, and firewalls---put major restrictions on the jurisdiction and authority of the Appropriations Committees. [Ref. 12:p. 66]

Indeed, such innovations as PAYGO and firewalls escalated the visibility of emergency supplementals in the light of discretionary spending categories, especially within DoD. As Davis discusses, the BEA originally established separate discretionary

limits for three categories: domestic, defense, and international. These separate limits applied for fiscal years 1991 through 1993, after which only combined limits on total discretionary spending remained in effect. The separate limits were referred to as “firewalls,” since spending could not be shifted among the categories. [Ref. 17:p. 19]

Hence, categorical offsets and rescissions also maintain a heightened visibility as a result of BEA reforms. These reforms also reduced the flexibility of fiscal guidance in case of disasters, emergencies and within the dynamic state of world affairs. Nonetheless, Appropriations Committees have been given the authority to consider exemptions to spending caps due to emergent requirements.

As addressed in the next section regarding designated emergency spending, exemptions were clearly demonstrated in 1991, when expenditures for the Persian Gulf War were designated as an “emergency need” and were not counted against the defense spending ceiling as were the emergency funds for flood victims in 1997. [Ref. 12:p. 67]

## **2. Congressional Budget Office and Emergency Spending Under the BEA**

It is also helpful to introduce a profile of Congressional Budget Office’s (CBO) analysis of emergency spending under the BEA from 1991 to 1998. As the first chart in Figure 3.2 illustrates below, emergency spending is compared by type of appropriation, regular and supplemental. Regular appropriations bills provide budget authority for the upcoming fiscal year or, if it has already started, for the year in progress. Supplemental appropriations provide additional budget authority for the current fiscal year when the regular appropriation is insufficient or when activities have not been provided for in the regular appropriation. [Ref. 18:p. 130]

Clearly, the bulk of emergency appropriations is in the supplemental category. From 1991 to 1998, emergency funding contained in regular appropriations comprised 6.5% of the total of both supplemental and regular appropriations. Excluding the Persian Gulf War funds, regular emergency supplementals represented 9.6% of the total.

In the second chart, when divided into defense and non-defense categories, the defense portion is slightly less than non-defense, excluding the \$44.4 billion for Operation Desert Storm in 1990-1991. Table 3.1 contains supporting data for the charts in Figure 3.2.

### **3. Emergency Appropriations and Budget Processes**

As a built-in safeguard, the BEA also required a “look-back” at each legislative session to insure that the appropriators did not exceed the spending limits. According to Thurber, other significant changes made by the BEA included “requiring the concurrence of the president on emergency spending exempt from the spending caps. This provision enables OMB to bargain effectively with Congress over individual items in supplemental appropriations bills, [and is equivalent to] a line-item veto.” [Ref. 12:p. 67]

Moreover, Doyle and McCaffery elaborate on Congress’ decision to exempt emergency funds allocated for the Persian Gulf War in 1990-1991:

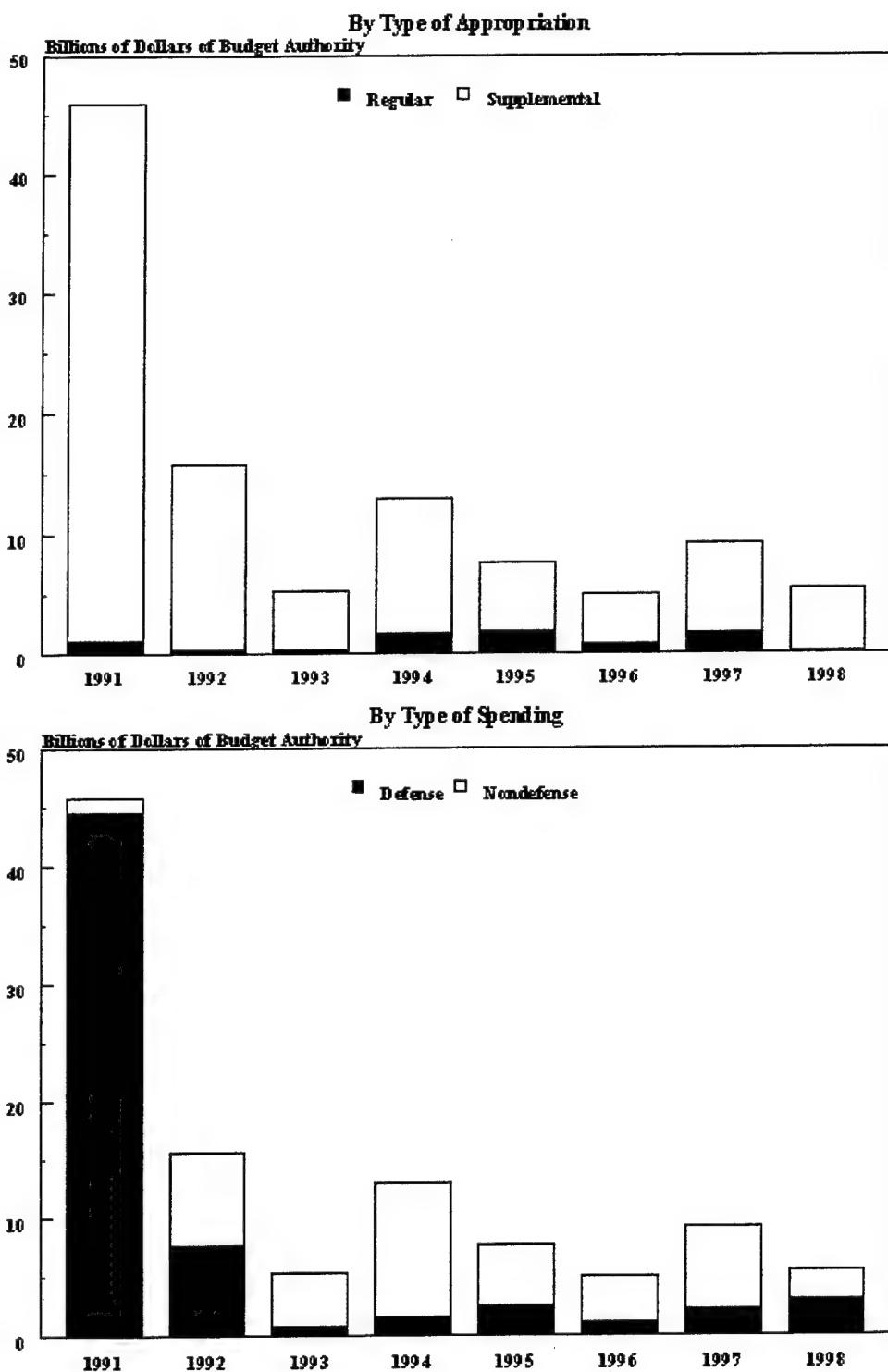


Figure 3.2. Designated Emergency Spending, 1991-1998. Source: [Ref. 9:p.4]

	1991	1992	1993	1994	1995	1996	1997	1998
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**Designated Emergency Spending**

Total	45,846	15,708	5,336	12,947	7,717	5,047	9,236	5,540
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**By Type of Appropriation**

Regular	1,000	107	218	1,529	1,774	692	1,612	5
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Supplemental	44,846	15,601	5,118	11,418	5,943	4,355	7,624	5,535
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**By Type of Spending**

Defense	44,337	7,527	642	1,497	2,448	980	2,107	2,832
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Nondefense	1,509	8,181	4,694	11,450	5,269	4,067	7,129	2,708
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**Contingent Emergency Spending**

Total	0	460	693	918	613	4	307	479
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Regular Appropriations	0	314	660	303	613	0	307	300
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Supplemental Appropriations	0	146	33	615	0	4	0	179
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SOURCE: Congressional Budget Office.

Table 3.1. Designated And Contingent Emergency Spending, 1991-1998. (In Millions of Dollars of Budget Authority). Source: [Ref. 9:p. 4-5]

Mid-Year Revision revealed major changes in the near term profile of the deficit between 1991 and 1992, as well as some technical reestimations of moderate size. But these changes had no impact on the budget process, since the BEA had severed the direct link between deficit increases and sequestration. Emergencies—Desert Storm/Desert Shield and sharply increased funding requirements for the savings and loan bailout—were causing the turbulence, but these were outside the calculus of the BEA. Although these emergencies drove the deficit up, a budget reform incapable of accommodating them would not have survived long. Thus substantial changes in budget policy occurred because of emergencies without disrupting the main budget arena, and there was very little of the process constriction of previous years attributable to these events. [Ref. 15:p. 6]

#### **D. SUMMARY**

Over the past quarter-century, emergency supplemental appropriations and their effects upon the Department of Defense budget have increasingly become a significant topic of debate among members of Congress. Subject to an evolving budget reform process through congressional Acts in 1974, 1985, 1987 and 1990, the impact of emergency supplementals upon regular appropriation levels has become more visible to legislators. While comprising over \$76.8 billion or 56 per cent of the entire amount of supplementals in the 1990's, defense emergency spending has also become a critical area of concern regarding the effect on readiness and long-term budgets at the expense of peacemaking and peacekeeping operations.

During each Midyear Review within the federal budget cycle, new emergency supplemental bills are introduced and contain the potential to spoil the fiscal discipline constraints placed upon an already under-funded DoD. Indeed, some "dire emergencies" have reflected the ever-changing need for budget policy and process reforms due to unanticipated, uncontrollable and unforeseen requests.

## **IV. EMERGENCY APPROPRIATIONS: PROCESS AND DATA ANALYSIS**

### **A. PROCESS ANALYSIS: CASE STUDY OF A SUPPLEMENTAL**

Emergency Supplemental Appropriations Bills can also be titled Mid-Year Spending Bills and Disaster Relief Bills. Typically introduced as a House Report to the House Appropriations Committee in the February to July timeframe, the bills are retitled as Acts, e.g., 1999 Emergency Supplemental Appropriations Act. After a series of amendments, bills go up for passage in the House. Upon a favorable vote, the bills are transferred to the Senate Appropriations Committee, where they undergo amendments to the House-approved appropriation levels. After a series of debates, the Senate will also typically approve, add-in or cut funding levels from the President's original request for emergency funding.

Prior to the President signing a supplemental into law, a Conference Report is issued and passed by both houses. The President signs emergency supplemental acts regarding supplementals that are typically introduced in mid-year on the fiscal calendar, prior to the end of the fiscal year in September.

To illustrate, Public Law No. 102-28 was signed into law in April 1991 as the Desert Storm Emergency Supplemental. The president's original request, submitted in early March 1991, was for \$71 billion. The House Committee approved the bill within two days for \$43 billion for Desert Shield and Desert Storm. The House was acting on good faith from foreign governments' promises for \$53.3 billion in reimbursements at the time that they were part of the coalition forces in the Persian Gulf. On March 19, 1991,

the Senate Committee also considered the reimbursements and made additional adjustments of approximately \$3 billion, approving a \$46.2 billion bill on March 22, 1991. The President signed the bill into law on April 10, 1991. The following section takes a comprehensive look into supplementals over the past quarter-century.

#### **B. ANALYSIS OF EMERGENCY SUPPLEMENTS: 1974-2000**

Figure 4.1 below is a Supplemental Tracking Profile covering the legislative tracking of sixty-one supplemental bills during the period of 1974 through 1999. These budgetary data were attained through exhaustive research applied to each individual supplemental among twenty-five separate annual congressional chronicles. Data were gathered through analyzing the legislative history of each public law that included the passage of emergency supplemental appropriations bills. The focus of the manual effort was to acquire data by fiscal year and the recorded public law number.

The legislative tracking methodology included intense research of all significant dates within the supplemental bill process. Among the critical dates, dates of bill submission and presidential signature proved to be the most meaningful. Other important dates were also recorded. These included dates of House and Senate Committees, date introduced on the House and Senate floors, and dates when Conference Reports were issued and passed by both the House and Senate. For specific dates, see Appendix.

After tracking each supplemental's history, a comprehensive bar chart of all sixty-two supplementals was developed as a pictorial to show trends and patterns in the supplemental process.

Note in Figure 4.1 that each emergency supplemental starting in calendar year (CY) 1974 has a designated fiscal year(s) (FY) for which bills were submitted. The corresponding light gray horizontal bar represents the start of the period that the bill was introduced until its passage by both House and Senate Committees. The adjacent dark gray section corresponds to the final month it attained Conference Report Approval and the President's signature, signified by a Public Law Number. Additionally, the patterned bars represent the seven cases that a regular supplemental appropriations bill was introduced, passed, and signed into law.

Upon inspection of the profile, it seems that most supplementals are introduced mid-year from February through March and are approved by the end of the fiscal year in September. The typical "dire" emergency supplemental takes approximately three months from the time it is introduced on the House and Senate floors until the President signs it.

However, occasional early submission, political debate and heated legislation can cause the timeline to be protracted. The bills with the longest congressional action period of ten months were in 1978, 1980, and 1991.

For example, in 1980, Public Law No. 96-249 was held up in Congress for ten months prior to the President signing the appropriations bill into law. In that year, the Senate initiated a \$3 billion Food Stamp Emergency Bill which was considered for passage with a concurrent \$16.9 Emergency Defense Supplemental.

In 1991, during the period of Desert Storm, a FEMA natural disaster bill to farmers for \$6.9 billion caused Public Law No. 102-229 to overlap fiscal years after a

ten-month process prior to presidential signature. Thus, the majority of the sixty-one supplemental bills analyzed was carried out by the end of their respective fiscal years.

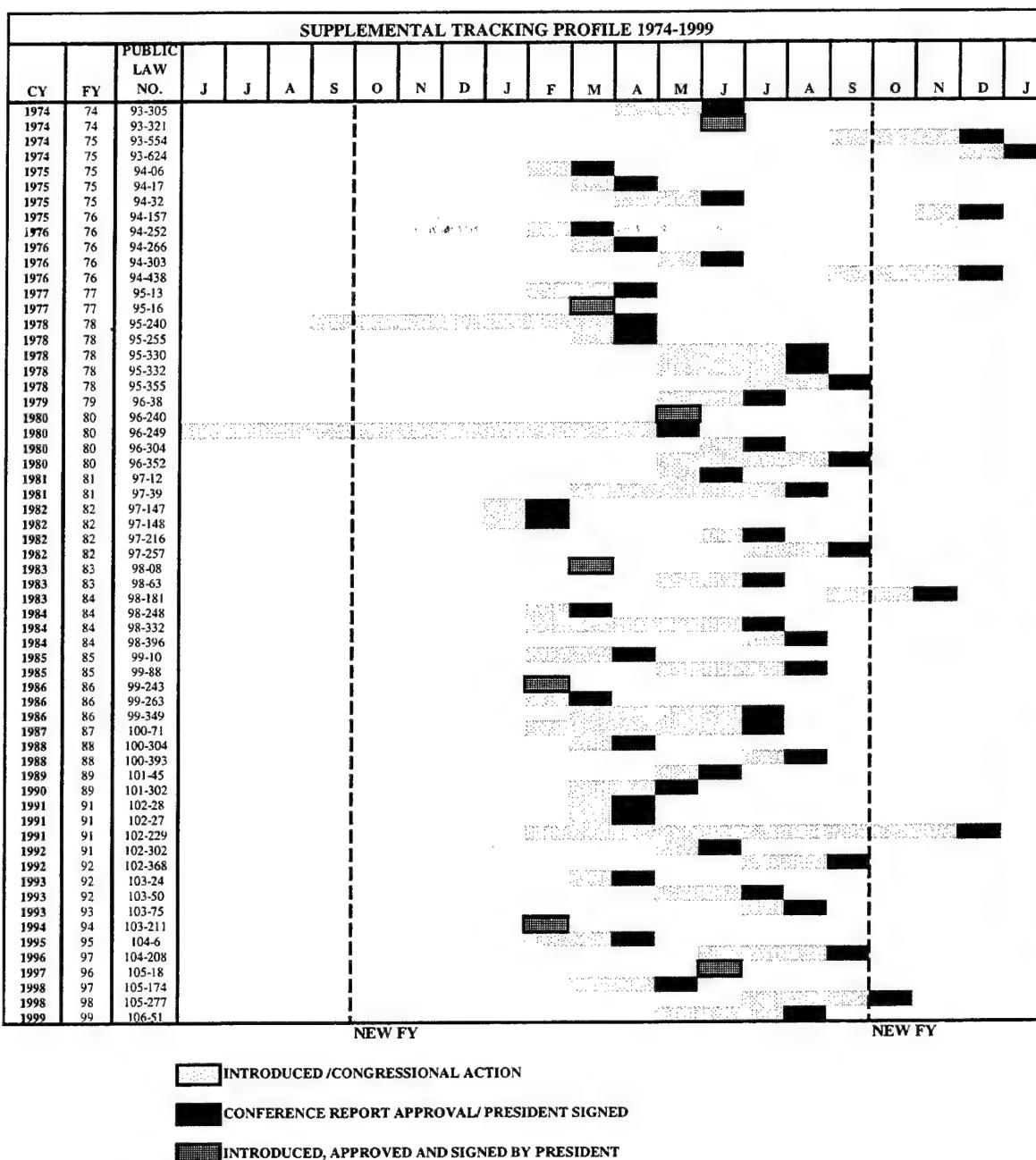


Figure 4.1. Supplemental Tracking Profile 1974-1999. Source: [Ref. 21]

### C. DOD VIEWPOINT: PROCESS TIMING AND EFFECTS

As shown in Table 4.1 below, an analysis of all sixty-one supplemental bills also yielded convincing data that the emergency appropriations “safety valve” effect has been increasingly applied to DoD. By compiling all supplemental funding amounts and their respective DoD portions, one can determine the percentage of the DoD budget that emergency supplementals represent. Throughout the period from 1974 to 1999, \$82.29 billion (19.1%) of all supplemental appropriations were allocated to DoD. This figure also represents a less significant 1.38% of the cumulative DoD budgets within the period.

The 1990's saw a substantial increase in emergency funding towards defense operations, including support operations in Panama and Nicaragua in 1990 (\$4.3 billion), Desert Storm in 1991 (\$42.6 billion), Operation Restore Hope in Somalia (\$3.5 billion), defense peacekeeping in Bosnia (\$4.1 billion), and a cumulative total exceeding \$35.8 billion for defense-related spending in the late 1990's.

Table 4.2 below focuses on the bottom line from the Supplemental Appropriations Analysis Chart (Table 4.1). It emphasizes the magnitude of the 1991 Desert Storm Supplemental. By subtracting out the \$42.6 billion from the \$82.3 billion total, the modified DoD portion results in \$39.7 billion or only 6.5% of total supplementals. While the Desert Storm Supplemental represented 12.8% of the FY 1991 budget, its omission from the total reflects that only 0.67 % of emergency supplementals affected DoD from 1974 to 1999.

Supplemental Appropriation Analysis 1974-1999 (\$Millions)					
Fiscal Year	Supplemental Amount	DoD Portion	DoD Budget	% of Supplemental	% of DoD Budget
1974	179		82600	0.000%	0.000%
1974	4.75			0.000%	0.000%
1974	8.77	2.14		24.401%	0.003%
1974	8.66			0.000%	0.000%
1975	638		90500	0.000%	0.000%
1975	143.2			0.000%	0.000%
1975	15070	256.3		1.701%	0.283%
1975	10300			0.000%	0.000%
1976	18000		97,567	0.000%	0.000%
1976	9400			0.000%	0.000%
1976	872			0.000%	0.000%
1976	2140			0.000%	0.000%
1977	200		110,362	0.000%	0.000%
1977	28900	101.1		0.350%	0.092%
1978	6800	514.8	117,349	7.571%	0.439%
1978	80.5			0.000%	0.000%
1978	250.2			0.000%	0.000%
1978	300			0.000%	0.000%
1978	7800	423.8		5.433%	0.361%
1979	13800	2900	126,880	21.014%	2.286%
1980	40		144,502	0.000%	0.000%
1980	7.6			0.000%	0.000%
1980	3800			0.000%	0.000%
1980	16900			0.000%	0.000%
1981	20900	6900	180,443	33.014%	3.824%
1981	11800			0.000%	0.000%
1982	2300			0.000%	
1982	5000		217,179	0.000%	0.000%
1982	14200	435		3.063%	0.200%
1982	5400			0.000%	0.000%
1983	24300		244,972	0.000%	0.000%
1983	7000	469.8		6.711%	0.192%
1983	4,600			0.000%	0.000%
1984	290		265,584	0.000%	0.000%
1984	6180	332		5.372%	0.125%
1984	1150			0.000%	0.000%
1985	13020		294,853	0.000%	0.000%
1985	784			0.000%	
1986	1500		289,625	0.000%	0.000%
1986	5300			0.000%	
1986	1700			0.000%	
1987	9400	720	287,960	7.660%	0.250%
1988	672		292,497	0.000%	0.000%
1988	709			0.000%	
1989	3300	2400	300,067	72.727%	0.800%
1990	4300		303,946	0.000%	0.000%
1991	42600	42600	332,228	100.000%	12.823%
1991	3700			0.000%	
1991	6900			0.000%	
1992	1100		299,115	0.000%	0.000%
1992	11100	4100		36.937%	1.371%
1993	4000		276,109	0.000%	0.000%
1993	3500			0.000%	
1993	5700			0.000%	
1994	13855	1497	262,246	10.805%	0.571%
1995	3100		262,862	0.000%	0.000%
1996	5051	982	265,014	19.442%	0.371%
1997	8900	2100	266,217	23.596%	0.789%
1998	6100	2800	272,370	45.902%	1.028%
1998	20800	1859		8.938%	0.683%
1999	14500	10900	288,117	75.172%	3.783%
	\$ 430,354	\$ 82,293	\$ 5,971,164	19.122%	1.378%

Table 4.1. Supplemental Appropriations Analysis 1974-1999. Source: [Ref 21]

(\$Millions)	Supplemental Amount 1974-1999	DoD Portion 1974-1999	DoD Budget 1974-1999	Percent of Supplemental(s)	Percent of DoD Budget
Total	\$430,354	\$82,293	\$5,971,164	19.1%	1.38%
1991 Supplemental	42,600	42,600	332,228	0.7 %	12.8%
New Total	387,754	39,693	5,971,164	6.5%	0.67%

Table 4.2. FY 1991 Desert Storm Supplemental Analysis. Source: [Ref. 21]

Because spending limits have capped total discretionary spending below inflation-adjusted levels throughout the 1990's, many policymakers feel that those limits can encourage relatively higher levels of emergency spending since such spending is effectively exempt from the caps. Increasing levels have heightened their concern. [Ref. 19:p. 11]

The timing of introduction of the bills and replenishment back into the DoD budget has caused some Members of Congress to consider emergency supplementals the "preferred method to evade budget discipline." [Ref. 15:p. 11]

Each year in the late September or early October timeframe, budget submissions are submitted to DoD and OMB for the next fiscal year to be contained in the President's budget and for presentation to Congress in the following February. Although DoD begins executing new fiscal year money on 1 October, it can encounter unforeseen emergency requirements early in the fiscal year that were not in that year's budget. To remedy the dilemma of executing the President's directive with limited resources, DoD borrows from the Operations and Maintenance (O&M) account against fourth quarter spending plans. DoD must depend upon an emergency supplemental being passed early

enough in the fiscal year so that it can allocate the money and execute the spending plans against which it had previously borrowed.

Supplementals that get passed in late August or early September would make this difficult for DoD to execute; most supplementals are passed between April and August. Late congressional action and a desire to keep from confusing Members of Congress over the new budget or any emergency supplementals has led DoD to manage the time of the bill submission so that it occurs after the main budget has been presented. Indeed timing issues are important, but the disasters that drive supplementals cannot be relied upon to occur at the same time each year.

In summary, DoD does its best to carry out the President's orders by borrowing from O&M funds. Afterwards, it goes back to Congress for reimbursement.

#### **D. NON-DOD EMERGENCIES AND PORK BARREL POLITICS**

As cited in the CBO Testimony on Budgeting for Emergency Spending, a combination of increasing incidents of disasters coupled with changes in federal budget practices have led to new levels of increased emergency supplemental requests:

Since 1991, domestic spending has been high relative to the disaster-related spending shown in the 1970s and 1980s. Some analysts would attribute that to excesses resulting from tight discretionary caps and the existence of a safety valve. [Ref. 9:p. 6]

An historical viewpoint regarding domestic spending for disasters is illustrated in Figure 4.2 below. Upon inspection of the graph, the data reflect that emergency supplemental spending related only to natural disasters such as the Mount St. Helens eruption in 1980, Hurricane Hugo and the Loma Prieta earthquake in 1989. Since 1991,

emergency spending for purposes other than natural disasters, including both regular and supplemental appropriations have been allocated to disasters such as the Los Angeles Riots in 1992.

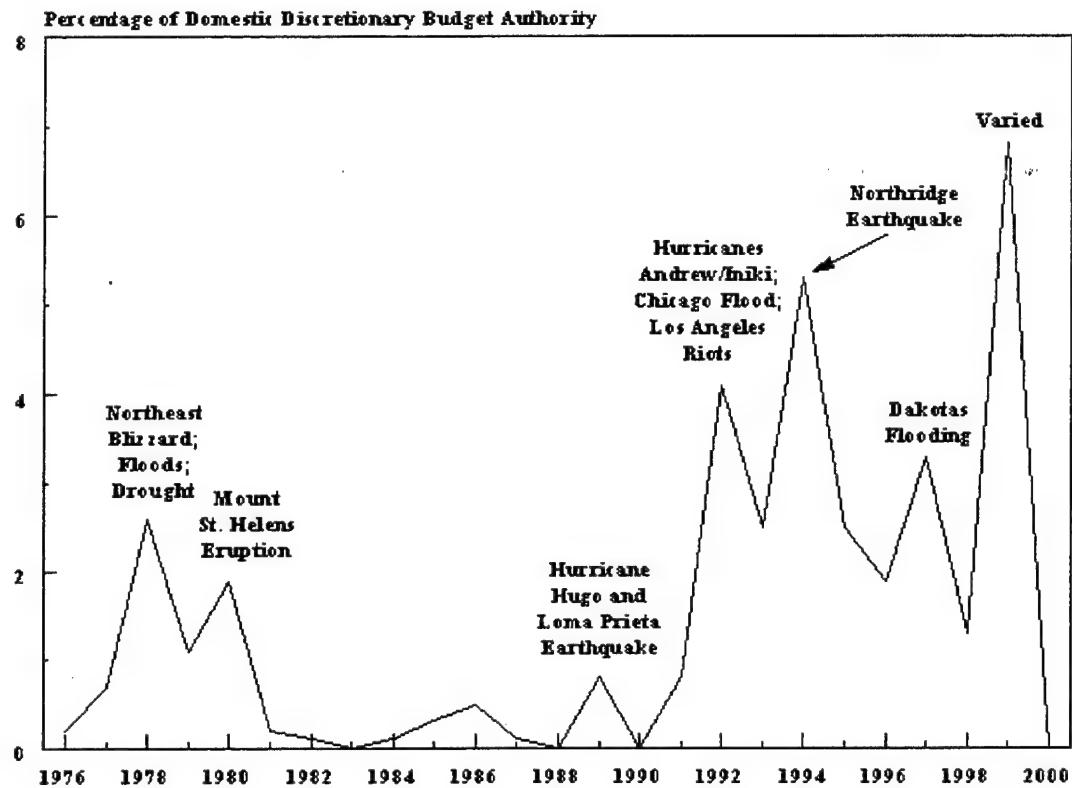


Figure 4.2. Domestic Supplemental Spending for Disasters and Post-1991 Supplemental Emergency Spending. Source: [Ref. 9:p.6]

Nevertheless, this safety valve can be an invitation to Members of Congress and their parochial interests for local constituents, i.e., pork barrel politics. As a result of the social unrest in Los Angeles in 1992, Congress approved a \$1.1 billion nationwide (pork barrel) Urban Aid package, over \$600,000 above the emergent requirement.

Ron Paul suggests emergency spending bills are nothing but pork barrel politics. He believes Congress must "adhere to its existing fiscal year budget, just as families and

businesses must operate within their own budgets.” He bluntly calls emergency supplemental spending bills “dangerous, wasteful, and unnecessary”.

In addition to non-defense emergencies, he sharply criticizes overseas spending as well. Recently, over \$1.3 billion was provided to Columbia, Bolivia, and Ecuador for a counternarcotics “emergency”. Paul argues,

Our nation should not be spending billions of dollars and sending 60 military helicopters to the Colombian Army and National Police to escalate our failed drug war. We risk another Nicaragua when we meddle in the internal politics and military activities of a foreign nation. Sending expensive helicopters to Colombia is the worst kind of pork-barrel politics- helicopters are ineffective weapons of war, as we have seen in Vietnam and Somalia. [Ref. 20:p. 1]

Meanwhile in Kosovo, ongoing military action in the form of peacekeeping operations, carries an ongoing \$2.1 billion price tag per year. Paul also points out that these operations are really acts of war requiring congressional approval.

Moreover, our national sovereignty is threatened when we place our troops under UN Command. We don’t need to spend more money on Kosovo or any other foreign war the UN deems deserving. Time and time again we have seen the disastrous consequences of meddling in wars which do not involve our national interests...UN peacekeeping doesn’t work, and we should not be spending billions of dollars in emergency funds perpetuating our involvement. [Ref. 20:p. 1]

#### **E. SUMMARY**

With respect to the DoD budget, emergency supplementals are an ever-increasing item in the federal budget appropriations process. Introduced during midyear budget wrangling, the amounts and impact of emergency loophole spending escalate as Congress fails to exercise its budgetary discipline. During the past quarter-century, over sixty

supplemental bills have been introduced to address national emergencies, both defense and non-defense.

While emergency funding for Operation Desert Storm was exempt from the discretionary spending caps at the time the BEA went into effect, defense appropriations continue to be augmented by emergency appropriations as the number of worldwide military contingencies increase and American commitments expand.

Peacekeeping operations in Bosnia and Kosovo are bona fide emergencies, however, the ongoing funneling of taxpayer dollars into such commitments goes well beyond the definition of true emergencies.

Lastly, pork barrel politics erode good budget discipline at the cost of future defense dollars. Indeed, “pork-barreling” encourages individual Members to hide their pet projects in bills. In Congress, ‘the powers that be’ dole out spending for Members’ personal projects to garner their vote for the spending bills. The result is always higher and more wasteful spending.” [Ref. 19:p. 2]

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## **V. SUMMARY AND CONCLUSIONS**

### **A. SUMMARY**

The focus of this study is built upon the framework of defining the emergency appropriations from a Department of Defense perspective and how they are designated within the federal budget process. Beginning with a background to the FY2000 Emergency Supplemental Appropriations bill and the definition of complex emergencies, peacemaking and peace enforcement, it has become clear that such designated operations represent national interests and consume substantial financial resources. Moreover, the congressional interpretations of bona fide emergencies were discussed, providing essential elements to define true emergencies in the context of supplemental appropriations. Indeed, budgetary discipline, planning, and discretion have become the trademarks of sound emergency legislation. The fact that emergencies are uncontrollable, unforeseeable, and not well defined in budget law makes all emergencies "complex".

Since the Vietnam War and including today's Kosovo peacekeeping operations, emergency assistance has been a salient topic for debate among the Members of Congress. Four major Acts of budgetary reform have treated emergencies as a significant category within the appropriations process. Meanwhile, reduced defense budgets and offsets from discretionary DoD accounts have amplified the negative impact on defense readiness.

After analyzing sixty-one supplemental bills from the period of 1974 to 1999, it is clear that emergency appropriations comprise a significant portion of all supplementals and DoD budget amendments. Over the past quarter-century, the mid-year pattern remains true to lawmakers, as supplemental funding level debates reach their climax in late summer each year. Furthermore, the ongoing quest for a consistent definition of “dire emergency” continues to allow pork barrel politics to play a large role in the supplemental appropriations process. The hallmarks of sound budgeting rely on the loophole of designating “emergencies.”

## **B. CONCLUSIONS**

While the portion of defense-related emergency appropriations has been relatively small over the period since the Vietnam War, the lion’s share has accumulated over the last decade since the Persian Gulf War. Nevertheless, defense budgets have stagnated at a time when it appears that the frequency of complex emergencies continues to steadily increase. Peacekeeping operations have a severe impact on DoD budgets and defense readiness. The constant need to augment the DoD budget with “emergency” spending is a counteractive budgetary scheme. Moreover, it lends to Congress loosening the federal purse strings and allowing pork-barrel politics to upset the balance of true emergencies and defense readiness.

Thus, it is imperative that Congress exercise good budgetary discipline regarding emergency supplemental appropriations. It should require agencies to improve planning for emergent situations in order to avoid the mid-year plus-ups of creating veritable new budgets. By implementing these practices, Congress can avoid mortgaging future defense readiness and still support the military’s role in global emergency operations.

Irrespective of improvements in budget planning, it should be recognized that some level of supplemental appropriations will always be necessary to meet true budget emergencies.

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## APPENDIX. LEGISLATIVE TRACKING OF EMERGENCY SUPPLEMENTALS

LEGISLATIVE TRACKING OF EMERGENCY SUPPLEMENTALS CY1974-1999														
CQ YEAR	FY	PUBLIC LAW NO.	INTRO	HOUSE COMMITTEE	HOUSE FLOOR	SENATE COMMITTEE	SENATE FLOOR	ENCE REPORT (CFR) ISSUED	CFR PASSED HOUSE	CFR PASSED SENATE	DATE PRESIDENT SIGNED			
1974	74	93-305	4-Apr	4-Apr	10-Apr	3-May	7-May		4-Jun	5-Jun	8-Jun			
1974	74	93-321	17-Jun	21-Jun	24-Jun	25-Jun	26-Jun				30-Jun			
1974	75	93-554	25-Sep	25-Sep	2-Oct	9-Oct	20-Nov		16-Dec	16-Dec	27-Dec			
1974	75	93-624	17-Dec	17-Dec	18-Dec	18-Dec	19-Dec		19-Dec	19-Dec	3-Jan			
1975	75	94-06	18-Feb	18-Feb	20-Feb	25-Feb	26-Feb		27-Feb	27-Feb	28-Feb			
1975	75	94-17	26-Mar	10-Apr	15-Apr	17-Apr	18-Apr		21-Apr	21-Apr	24-Apr			
1975	75	94-32	10-Apr	10-Apr	15-Apr	14-May	20-May	22-May	22-May	11-Jun	12-Jun			
1975	76	94-157	7-Nov	7-Nov	13-Nov	5-Dec	10-Dec	12-Dec	15-Dec	15-Dec	18-Dec			
1976	76	94-252	9-Feb	11-Feb	18-Feb	19-Feb	26-Feb	22-Mar	25-Mar	25-Mar	30-Mar			
1976	76	94-266	31-Mar	2-Apr	5-Apr	8-Apr	9-Apr	7-Apr	12-Apr	12-Apr	15-Apr			
1976	76	94-303	9-Apr	9-Apr	13-Apr	6-May	12-May	13-May	18-May	19-May	1-Jun			
1976	76	94-438	15-Sep	17-Sep	21-Sep	23-Sep	28-Sep	28-Sep	30-Sep	30-Sep	30-Sep			
1977	77	95-13	23-Feb	1-Mar	3-Mar	9-Mar	11-Mar				21-Mar			
1977	77	95-16	24-Mar	28-Mar	29-Mar		29-Mar				1-Apr			
1978	78	95-240	28-Sep	28-Sep	25-Oct	28-Oct	28-Oct	8-Nov	28-Feb	7-Dec	7-Dec			
1978	78	95-255	16-Mar	20-Mar	22-Mar	23-Mar					4-Apr			
1978	78	95-330	23-May	28-Jun	11-Jul						31-Jul			
1978	78	95-332	31-May	1-Jun	9-Jun	19-Jun	23-Jun		19-Jul	20-Jul	2-Aug			
1978	78	95-355	13-Jul	13-Jul	20-Jul	1-Aug	7-Aug	17-Aug	17-Aug	25-Aug	8-Sep			
1979	79	96-38	31-May	31-May	6-Jun	18-Jun	26-Jun		17-Jun	20-Jun	25-Jul			
1980	80	96-240	1-May								1-May			
1980	80	96-249	11-Jun	8-May	8-May	6-Jul	23-Jul		15-May	14-May	26-May			
1980	80	96-304	11-Jun	11-Jun	19-Jun	23-Jun	28-Jun		2-Jul	2-Jul	8-Jul			
1980	80	96-352	9-Sep	14-Sep	15-Sep	16-Sep	16-Sep		16-Sep	16-Sep	17-Sep			
1981	81	97-12	8-May	13-May	13-May	14-May	21-May		4-Jun	4-Jun	5-Jun			
1981	81	97-39	12-Mar	4/ISASC	23-Jun	1-Apr	7-Apr		4-Aug	30-Jul	14-Aug			
1982	82	97-147	29-Jan	4-Feb	9-Feb	10-Feb	10-Feb				15-Feb			
1982	82	97-148	29-Jan	4-Feb	9-Feb	10-Feb	10-Feb				22-Feb			
1982	82	97-216	24-Jun	24-Jun	24-Jun	29-Jun	29-Jun		15-Jul	15-Jul	18-Jul			
											8/28 VETO/HOR9/9SOR9/10			
1982	82	97-257	28-Jul	27-Jul	29-Jul	3-Aug	11-Aug		18-Aug	20-Aug				
1983	83	98-08	1-Mar	1-Mar	3-Mar	7-Mar	17-Mar		22-Mar	24-Mar	24-Mar			
1983	83	98-63	18-May	18-May	25-May	26-May	16-Jun		28-Jul	29-Jul	30-Jul			
1983	84	98-181	22-Sep	22-Sep	5-Oct	19-Oct	27-Oct	4-Nov	16-Nov	17-Nov	30-Nov			
1984	84	98-248	28-Feb	29-Feb	6-Mar	8-Mar	15-Mar	27-Mar	27-Mar	27-Mar	30-Mar			
1984	84	98-332	28-Feb	29-Feb	6-Mar	14-May	5-Apr		24-May	25-Jun	2-Jul			
1984	84	98-396	27-Jul	27-Jul	1-Aug	2-Aug	8-Aug		10-Aug	10-Aug	22-Aug			
1985	85	99-10	21-Feb	21-Feb	28-Feb	5-Mar	20-Mar		2-Apr	2-Apr	4-Apr			
1985	85	99-88	22-May	22-May	12-Jun	20-Jun	13-Jun	31-Jul	31-Jul	1-Aug	15-Aug			
1986	86	99-243	6-Feb	6-Feb	6-Feb						10-Feb			
1986	86	99-263	26-Feb	26-Feb	26-Feb	5-Mar	13-Mar		18-Mar	19-Mar	24-Mar			
1986	86	99-349	25-Mar	25-Mar	25-Mar	15-May	6-Jun	24-Jun	26-Jun	26-Jun	2-Jul			
1987	87	100-71	25-Mar	25-Mar	25-Mar	1-May	25-Mar	2-Jun	30-Jun	1-Jul	11-Jul			
1988	88	304	26-Apr	26-Apr					27-Apr	28-Apr	29-Apr			
1988	88	393	13-Jul	27-Jul	13-Jul	10-Aug	13-Jul		11-Aug	11-Aug	14-Aug			
1989	89	101-45	18-May	18-May	18-May	24-May	18-May	15-Jun	23-Jun	23-Jun	30-Jun			
1990	89	101-302	27-Mar	3-Apr	27-Mar	1-May	24-Apr	24-May	24-May	24-May	25-May			
1991	91	102-229	28-Feb	28-Feb	28-Feb	15-Nov	27-Nov	27-Nov	27-Nov	27-Nov	12-Dec			
1991	91	102-27	5-Mar	7-Mar	5-Mar	20-Mar	14-Mar	22-Mar	22-Mar	22-Mar	10-Apr			
1991	91	102-28	5-Mar	5-Mar	7-Mar	14-Mar	19-Mar	21-Mar	22-Mar	22-Mar	10-Apr			
1992	91	102-302	12-May	14-May	12-May	21-May	19-May	17-Jun	18-Jun	18-Jun	22-Jun			
1992	92	102-368	21-Jul	28-Jul	21-Jul	15-Sep	21-Jul	18-Sep	18-Sep	18-Sep	23-Sep			
1993	92	103-24	15-Mar	19-Mar	15-Mar	21-Apr	15-Mar	22-Apr	22-Apr	22-Apr	23-Apr			
1993	92	103-50	13-May	26-May	13-May	22-Jun	13-May	30-Jun	1-Jul	1-Jul	2-Jul			
1993	93	103-75	20-Jul	27-Jul	20-Jul	4-Aug	20-Jul	6-Aug	6-Aug	6-Aug	12-Aug			
1994	94	103-211	1-Feb	3-Feb	1-Feb	10-Feb	1-Feb	11-Feb	11-Feb	11-Feb	12-Feb			
1995	95	104-06	10-Feb	22-Feb	10-Feb	16-Mar	2-Mar	6-Apr	6-Apr	6-Apr	10-Apr			
1996	97	104-208	11-Jun						28-Sep		30-Sep			
1997	96	105-18	12-Jun			12-Jun	12-Jun	12-Jun		12-Jun	12-Jun			
1998	97	105-174	27-Mar	31-Mar	27-Mar	31-Mar	27-Mar	23-Apr	30-Apr	30-Apr	1-May			
1998	98	105-277	24-Jul	30-Jul	24-Jul	30-Jul	24-Jul	19-Oct	20-Oct	21-Oct	21-Oct			
1999	99	106-51	4-May	6-May	4-May	25-May	6-May	3-Aug	4-Aug	4-Aug	17-Aug			

Source: [Ref. 21]

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